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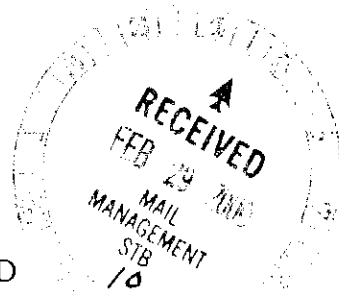
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OUTLINE OF REMARKS BY
DUANE O'NEILL, PRESIDENT
METROJACKSON CHAMBER OF COMMERCE

BEFORE THE SURFACE TRANSPORTATION BOARD
IN

STB EX PARTE NO. 582
PUBLIC VIEWS ON MAJOR RAIL CONSOLIDATIONS
MARCH 10, 2000



My name is Duane O'Neill and I am the President of the MetroJackson Chamber of Commerce. Our organization represents the businesses of Metro Jackson, Mississippi and works with those businesses to strengthen the economic vitality of our city. I welcome the opportunity to address the issue of railroad mergers.

While addressing the BNFS/CN proposal is not the purpose of this hearing, it is that proposal that has caused you to initiate this proceeding. Therefore, it is appropriate for me to begin by pointing out the relationship of one of those railroads to the Jackson area. CN/IC has a major presence in Jackson. When CN purchased the IC in 1998, they divided their US operation into two divisions. The so-called "Gulf" division which is headquartered in Jackson is responsible for the operations and marketing of the entire CN/IC railroad south of Springfield, Illinois. They are one of the city's largest employers and they are aggressively and creatively involved in our civic and business affairs.

CN/IC chose Jackson as its southern hub, not because its managers were looking for a warmer climate, but because the CN/IC merger and its alliance with the Kansas City Southern Railway placed Mississippi at the center of a new north-south railroad that can take full advantage of the growing trade between Canada, the US and Mexico. Full realization of the benefits proposed in this marketing Alliance is vitally important to Mississippi and should not be diluted or abandoned in any way.

This latest proposal to combine CN/IC with the Burlington Northern Santa Fe appears to be an expansion of that same concept. It increases the number of routes into Mexico and gives Mississippi shippers single line service to the West Coast. If the actual operating plan that we see at the end of March continues the concepts of providing our shippers expanded service and cost competitive rail options, then I believe this combination will benefit our state.

This leads me to a very simple conclusion that I urge the Board to make its own. If a railroad merger results in a more competitive, more efficient railroad that can offer better service to its customers, it should be approved on the strength of those benefits. The CN/IC was just such a merger, and we in Mississippi are reaping the dividends. If we have the potential to do that again with the proposed CN/BNSF combination, I think that combination deserves a fair and timely hearing on its merits and its merits alone.

I appreciate the opportunity to present my views.